

FRANKLIN COUNCIL ON AGING, INC.

*Financial Statements*  
*For The Year Ended June 30, 2007*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/27/08

**FRANKLIN COUNCIL ON AGING, INC.**

*Financial Statements  
For the Year Ended June 30, 2007*



CAMERON, HINES & HARTT, (A Professional Accounting Corporation)  
*Certified Public Accountants*

West Monroe, Louisiana

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2007

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FRANKLIN COUNCIL ON THE AGING, INC.  
WINNSBORO, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2007

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# CAMERON, HINES & HARTT

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*Certified Public Accountants*

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Franklin Council on Aging, Inc.  
Winnsboro, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Franklin Council on Aging, Inc., as of and for the year ended June 30, 2007, which collectively comprise the basic financial statements of the Council as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information for the Franklin Council on Aging, Inc., as of June 30, 2007, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2007, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Board of Directors  
Franklin Council on Aging, Inc.  
Winnsboro, Louisiana  
Page 2

Management's discussion and analysis and budgetary comparison information on pages 3 through 6 and 19 through 23, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Franklin Council on Aging, Inc. taken as a whole. The supplemental information schedules required by GOEA are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

*Cameron, Hines & Harth (APAC)*

West Monroe, Louisiana  
November 9, 2007

REQUIRED SUPPLEMENTAL INFORMATION (PART A)  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**FRANKLIN PARISH COUNCIL ON AGING**  
714 Adams Street  
Winnsboro, LA 71295

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Franklin Parish Council on Aging provides an overview of the Council's activities for the year ended June 30, 2007. Please read it in conjunction with the Council's financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Council as a whole.

**Reporting the Council as a Whole**

**The Statement of Net Assets and the Statement of Activities**

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Council's net assets and changes in them. The Council's net assets – the difference between assets and liabilities – measure the Council's financial position. The increase or decrease in the Council's net assets are an indicator of whether its financial position is improving or deteriorating.

**THE COUNCIL AS A WHOLE**

For the years ended June 30, 2007 and 2006:

	<u>06/30/07</u>	<u>06/30/06</u>
Beginning net assets	\$292,521	\$293,831
Increase in net assets	<u>19,616</u>	<u>(1,310)</u>
Ending net assets	<u>\$312,137</u>	<u>\$292,521</u>

**THE COUNCIL'S FUNDS**

The following schedule presents a summary of revenues and expenses for the fiscal year ended June 30, 2007, and the amount and percentage of increases and decreases in relation to the prior year.



Revenues	June 30, 2007	Percent of Total	Increase (Decrease) From June 30, 2006	Percent Increase (Decrease)
Intergovernmental	\$305,301	71%	\$36,197	13%
Property Taxes	99,809	23%	\$5,612	6%
Public Support	21,427	5%	\$1,459	7%
Rental Income	2,000	0%	(\$125)	-6%
Miscellaneous	3,356	1%	(\$6,140)	-65%
Totals	<u>\$431,893</u>	<u>100%</u>	<u>\$37,003</u>	<u>9%</u>

Revenues	June 30, 2006	Percent of Total	Increase (Decrease) From June 30, 2005	Percent Increase (Decrease)
Intergovernmental	\$269,104	68%	(\$16,428)	-6%
Property Taxes	94,197	24%	\$3,175	3%
Public Support	19,968	5%	(4,637)	-23%
Rental Income	2,125	1%	(30)	-1%
Miscellaneous	9,496	2%	3,340	35%
Totals	<u>\$394,890</u>	<u>100%</u>	<u>(\$14,580)</u>	<u>4%</u>

Revenues for the Council for the year ending June 30, 2007 increased overall. The majority of the increase can be attributed to last minute legislative action that gave the Councils an extra \$25,000 in funding from GOEA.

Revenues for the Council for the year ending June 30, 2006 decreased overall. Funding from GOEA was still down and no extra funding was available.

Expenses	June 30, 2007	Percent of Total	Increase (Decrease) From 6/30/2006	Percent Increase (Decrease)
Total	\$412,277	100%	\$16,077	4%

Expenses	June 30, 2006	Percent of Total	Increase (Decrease) From 6/30/2005	Percent Increase (Decrease)
Total	\$396,200	100%	\$17,840	5%

The Council's expenses for the year ending June 30, 2007 increased over fiscal year 2006. This can be attributed to expenses related to the extra funding at year end having to be spent on material aid items and the increase in fuel and utilities.

The Council's expenses increased in 2006 from the prior year. This was due to the increase in cost of fuel and utilities.

### **BUDGETARY HIGHLIGHTS**

The Council's total revenues in fiscal year 2007 were more than the final budget of \$48,935. Only that portion of the property tax expected to be used to cover expenses is budgeted and a budget for the extra funding of \$25,000 as not formally adopted although the board did discuss and approve expense related to the extra funding. Actual expenses for the Council were over the final budget by \$29,580. The General Fund is not budgeted but used in support of other programs. Also the extra funding expenses did not have a formal budget adopted.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

At the end of June 30, 2007 and 2006, the Council had \$136,486 and \$117,160 invested in capital assets including buildings and improvements, furniture and fixtures, equipment, and vehicles (see table next page).

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Building Improvements	\$21,700	\$15,410
Furniture & Fixtures	19,989	6,953
Vehicles	94,797	94,797
Totals	<u>\$136,486</u>	<u>\$117,160</u>

The Council replaced the air conditioning unit, and purchased appliances for the kitchen along with a new blood pressure machine and a piano for the Senior Center. There are no equipment disposals for the current year.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND REVENUES**

The Council's revenues are derived mainly from three sources, United States Department of Health and Human Services Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council, Property Tax Millage and Public Support. The Council does not anticipate any major increase or decrease in the revenues for the coming year.

## **CONTACTING THE COUNCIL'S FINANCIAL MANAGEMENT**

The financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have questions concerning this report or need additional financial information, contact the Franklin Parish Council on Aging, 714 Adams Street Winnsboro, LA 71295.

**Barbara Copes**  
Director

GOVERNMENT-WIDE FINANCIAL STATEMENTS

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
STATEMENT OF NET ASSETS  
JUNE 30, 2007

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 158,233
Certificates of Deposit	135,734
Accounts Receivable	28,547
Utility Deposits	100
Capital Assets:	
Depreciable	<u>39,371</u>
<u>TOTAL ASSETS</u>	<u>\$ 361,985</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 40,309
Accrued Expenses	<u>9,539</u>
Total Liabilities	49,848
<u>NET ASSETS</u>	
Invested in Capital Assets,	
Net of Related Debt	39,371
Unrestricted	<u>272,766</u>
Total Net Assets	<u>312,137</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 361,985</u>

The accompanying notes are an integral part of this financial statement.

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Direct Expenses</u>	<u>Indirect Expenses</u>
Function/Program Activities		
Governmental Activities:		
Health, Welfare and Social Services:		
Supportive Services:		
Homemaker	\$ 23,770	\$ 21,260
Information and Assistance	1,003	668
Outreach	284	459
Transportation	32,422	12,570
Other Services	14,181	10,282
Nutrition Services:		
Congregate Meals	91,349	59,153
Home Delivered Meals	65,086	38,079
Utility Assistance	6,692	-
Disease Prevention and Health Promotion	1,049	2,136
National Family Caregiver Support	1,977	2,174
Senior Activities	4,350	2,670
Administration	20,663	-
	<u>\$ 262,826</u>	<u>\$ 149,451</u>
Total Governmental Activities		

Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Assets Governmental Activities
	Operating Grants and Contributions	Capital Grants and Contributions	
\$ -	\$ 22,679	\$ -	\$ (22,351)
-	842	-	(829)
-	374	-	(369)
-	22,660	-	(22,332)
-	12,320	-	(12,143)
-	54,625	-	(95,877)
-	64,211	-	(38,954)
-	6,206	-	(486)
-	3,052	-	(133)
-	4,073	-	(78)
-	-	-	(7,020)
-	1,511	-	(19,152)
<u>\$ -</u>	<u>\$ 192,553</u>	<u>\$ -</u>	<u>\$ (219,724)</u>

General Revenues:

Grants and Contributions not Restricted to Specific Programs	134,175
Property Taxes	99,809
Rental Income	2,000
Interest Income	3,356
Total General Revenues	<u>239,340</u>
Changes in Net Assets	19,616
Net Assets - Beginning	<u>292,521</u>
Net Assets - Ending	<u>\$ 312,137</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS



FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA

BALANCE SHEET  
GOVERNMENTAL FUNDS

JUNE 30, 2007

	<u>General Fund</u>	<u>Title III B Supportive Services</u>	<u>Title C-1 Congregate Meals</u>	<u>Title C-2 Home Delivered Meals</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 143,721	\$ -	\$ 2,718	\$ 1,006
Certificates of Deposits	135,734	-	-	-
Accounts Receivable	25,000	-	-	-
Utility Deposits	-	47	41	12
Due From Other Funds	467	8,667	5,877	2,650
	<u>304,922</u>	<u>8,714</u>	<u>8,636</u>	<u>3,668</u>
<u>TOTAL ASSETS</u>	<u>\$ 304,922</u>	<u>\$ 8,714</u>	<u>\$ 8,636</u>	<u>\$ 3,668</u>
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 25,010	\$ 971	\$ 8,636	\$ 3,668
Other Accrued Expenses	9,539	-	-	-
Due To Other Funds	2,303	7,743	-	-
	<u>36,852</u>	<u>8,714</u>	<u>8,636</u>	<u>3,668</u>
Total Liabilities	<u>36,852</u>	<u>8,714</u>	<u>8,636</u>	<u>3,668</u>
<u>FUND BALANCE</u>				
Fund Balance				
Reserved for:				
Utilities Assistance	-	-	-	-
Unreserved, Reported In:				
General Fund	268,070	-	-	-
Special Revenue Funds	-	-	-	-
Total Fund Balance	<u>268,070</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 304,922</u>	<u>\$ 8,714</u>	<u>\$ 8,636</u>	<u>\$ 3,668</u>

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
RECONCILIATION OF TOTAL GOVERNMENTAL  
FUND BALANCES TO NET ASSETS OF  
GOVERNMENTAL FUNDS  
JUNE 30, 2007

Nonmajor Governmental Funds	Total Governmental Funds		
		Total Governmental Fund Balances	\$ 272,766
		<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
\$ 10,788	\$ 158,233		
-	135,734		
3,547	28,547		
-	100	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
-	17,661		39,371
<u>\$ 14,335</u>	<u>\$ 340,275</u>		
		Net Assets of Governmental Activities	<u>\$ 312,137</u>
\$ 2,024	\$ 40,309		
-	9,539		
<u>7,615</u>	<u>17,661</u>		
9,639	67,509		
77	77		
-	268,070		
<u>4,619</u>	<u>4,619</u>		
<u>4,696</u>	<u>272,766</u>		
<u>\$ 14,335</u>	<u>\$ 340,275</u>		

The accompanying notes are an integral part of this financial statement.

FRANKLIN COUNCIL ON AGING, INC  
WINNSBORO, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	General Fund	Title III B Supportive Services	Title C-1 Congregate Meals	Title C-2 Home Delivered Meals
<b><u>REVENUES</u></b>				
Intergovernmental	\$ 101,870	\$ 58,069	\$ 42,704	\$ 40,378
Property Taxes	99,809	-	-	-
Public Support	701	806	11,921	1,793
Rental Income	2,000	-	-	-
Miscellaneous	3,356	-	-	-
Total Revenues	<u>207,736</u>	<u>58,875</u>	<u>54,625</u>	<u>42,171</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Salaries	-	71,474	63,732	39,970
Fringe	-	5,755	5,119	3,207
Travel	-	8,672	1,278	9,552
Operating Services	-	25,879	21,234	8,515
Operating Supplies	3,003	5,119	3,184	2,038
Other Costs	2,775	-	55,956	39,884
Capital Outlay	19,326	-	-	-
Utility Assistance	-	-	-	-
Total Expenditures	<u>25,104</u>	<u>116,899</u>	<u>150,503</u>	<u>103,166</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u></b>	182,632	(58,024)	(95,878)	(60,995)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating Transfers - In	-	58,024	95,878	60,995
Operating Transfers - Out	(171,578)	-	-	-
Total Other Financing Sources (Uses)	<u>(171,578)</u>	<u>58,024</u>	<u>95,878</u>	<u>60,995</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</u></b>	11,054	-	-	-
<b><u>FUND BALANCE AT BEGINNING OF YEAR</u></b>	<u>257,016</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 268,070</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

Nonmajor Governmental Funds	Total Governmental Funds
\$ 62,280	\$ 305,301
-	99,809
6,206	21,427
-	2,000
-	3,356
<u>68,486</u>	<u>431,893</u>
7,130	182,306
562	14,643
114	19,616
6,407	62,035
219	13,563
735	99,350
-	19,326
6,692	6,692
<u>21,859</u>	<u>417,531</u>
46,627	14,362
212	215,109
<u>(43,531)</u>	<u>(215,109)</u>
<u>(43,319)</u>	<u>-</u>
3,308	14,362
<u>1,388</u>	<u>258,404</u>
<u>\$ 4,696</u>	<u>\$ 272,766</u>

Net Change in Fund Balances - Total  
Governmental Funds

\$ 14,362

*Amounts reported for governmental activities  
in the statement of activities are different  
because:*

Governmental funds report capital outlays as  
expenditures while governmental activities  
report depreciation expense to allocate those  
expenditures over the life of the assets:

Capital asset purchases capitalized  
Depreciation expense

19,326

(14,072)

5,254

Change in Net Assets in Governmental Activities

\$ 19,616

The accompanying notes are an integral part of this financial statement.

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

Note 1- Summary of Significant Accounting Policies

The financial statements of the Franklin Council on Aging, Inc. have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These statements have also incorporated any applicable requirements set forth by *Audits of State and Local Governments*, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VI-Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs contractors, and the *Louisiana Governmental Audit Guide*. The more significant to the Council's accounting policies are described below.

A. Reporting Entity

In 1964, the State of Louisiana passed Act 456 that authorized the charter of voluntary councils on aging for the welfare of the aging people in their representative parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Franklin Council on Aging, Inc. is a non-profit, quasi-public, corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. The Council also receives revenues from other federal, state, and local government agencies that may impose certain restrictions upon how the Council can use the money that they have provided.

The primary function of the Franklin Council on Aging, Inc. is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals, nutritional education, information and referral services, legal assistance, homemaker services, operating senior centers, and transportation. A Board of Directors, consisting of 15 voluntary members who serve three-year terms governs the Council.

The Council is not a component unit of another primary government nor does it have any component units that are related to it. Therefore, the Council has presented its financial statements as a separate special purpose government.

B. Financial Reporting

The Council follows the provisions of the Governmental Accounting Standards Board Statement, Nos. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (Statement 34), 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* (Statement 37), and 38, *Certain Financial Statement Note Disclosures* (Statement 38), which establish the financial reporting standards for all state and local governmental entities.

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

Note 1- Summary of Significant Accounting Policies (continued)

B. Financial Reporting (continued)

The accompanying government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions of behalf of the Council. The Council accounts for its funds as governmental funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Office of Elderly Affairs Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Most of the Council's special revenue funds are provided by GOEA. The Title III funds are provided by the United States Department of Health and Human Services Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

The Council reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (federal, state, or local) from which they are derived. The following types of programs comprise the Council's General Fund:

Local Funds

Local funds are received from various local sources; such funds not being restricted to any special use.

PCOA (ACT 735) Funds

PCOA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council on Aging. The Council may use these "Act 735" funds at its discretion provided the program is benefiting people who are at least 60.

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

Note 1- Summary of Significant Accounting Policies (continued)

B. Financial Reporting (continued)

Title III-B Supportive Services Fund

This program provides access services, in-home services, community services, legal assistance and transportation for the elderly.

Title III C-1 Congregate Meals Fund

These funds are used to provide nutritional congregate meals to the elderly in strategically located centers.

Title III C-2 Home Delivered Meals Fund

These funds are used to provide nutritional meals to home-bound older persons.

The remaining nonmajor funds are as follows:

Senior Center Fund

This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity and encourage their involvement in and with the community.

Nutritional Services Incentive Program (NSIP)

The NSIP program (formerly USDA) is used to account for the administration of Food Distribution Program funds provided by the United States Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs. This program reimburses the service provider on a per unit basis for each congregate and home-delivered meal served to an eligible participant so that the United States food and commodities may be purchased to supplement these programs.

Title III-D Disease Prevention and Health Promotion Services

This program provides funds to develop or strengthen preventive health service and health promotion systems through designated agencies.

Title III-E National Family Caregiver Support

To assist in providing multifaceted systems of support services for family caregivers and grandparents or older individuals who are relative caregivers.

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

Note 1- Summary of Significant Accounting Policies (continued)

**B. Financial Reporting (continued)**

Audit Funds

These funds are used to offset the cost of the annual audit. The amount received for the years ended June 30, 2007 and 2006 was \$810 and \$490, respectively.

Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various Councils on Aging through the state to be used to supplement the primary state grant for senior centers. Franklin Council on Aging, Inc. was one of the parish councils to receive a supplemental grant.

Utility Assistance Fund

The Utility Assistance fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish Councils on Aging to provide assistance to the elderly for the payment of their utility bills.

**C. Compensated Absences**

Employees of the Franklin Council on Aging, Inc. earn from 10 to 20 days of annual leave each year with 10 days allowed to be carried over to next year, depending on their length of service and the employee's working status (full-time or part-time). Provided that funds are available, employees are compensated upon termination of employment for current-year accrued annual leave up to 5 days. Employees earn up to 12 days of sick leave each year, and can accumulate up to 60 days, depending upon whether the employee is on a part-time or full-time status. Employees are not paid for accrued sick leave at termination and no accrual has been made.

**D. Funding Policies and Sources of Funds**

The Council receives its monies through various methods of funding. NSIP program funds are provided through the Louisiana Governor's Office of Elderly Affairs to help offset raw food cost in Title III C-1 and C-2 programs. This program is funded under the units of service provided method. The Senior Center program and State Allocation (PCOA) and Supplemental Senior Center funds are received as a monthly allocation of the total budget (grant) in advance of the actual expenditure. The Title III-B, C-1, C-2, D and E programs are funded based on actual operating cost incurred. The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, and C-2 programs. Utility assistance funds are also provided by the Louisiana Association of Council on Aging to the Council under the Helping Hands and Heating Help Energy programs. All of the above mentioned funds, including any other miscellaneous income, are recorded as revenue when the cash is received because the Council cannot predict the timing and amount of receipt.



FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

Note 1- Summary of Significant Accounting Policies (continued)

E. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Cash and Certificates of Deposit

*Custodial Credit Risk - Deposits*

The custodial credit risk is the risk that in the event of a bank failure, the Council's deposits may not be returned to it. The Council's policy to ensure there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Council that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the Council had no custodial risk related to its deposits at June 30, 2007.

At June 30, 2007, the Council has cash and cash equivalents (book balances net of overdrafts) in the amount of \$158,233.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable by both parties. The following is a schedule of the Council's cash and certificates of deposit at June 30, 2007. Differences between Council balances and the bank balances arise because of the net effect of deposits in transit and outstanding checks.

	<u>Council Balances</u>	<u>Bank Balances</u>
Cash on Deposit	\$ 158,233	\$ 163,543
Certificates of Deposit	<u>135,734</u>	<u>135,734</u>
<b><u>TOTAL</u></b>	<b><u>\$ 293,967</u></b>	<b><u>\$ 299,277</u></b>

The Council's deposits are collateralized as follows:

FDIC Insured Deposits	\$ 100,000
Uninsured Deposits:	
Collateralized	<u>275,475</u>
<b>Total Deposits</b>	<b><u>\$ 375,475</u></b>

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

**Note 3 - Receivables**

Accounts receivable at June 30, 2007, consisting of reimbursements for expenses incurred under the NSIP program was \$3,547 and a year end allocation of PCOA funds of \$25,000.

**Note 4 - Fixed Assets**

Fixed asset activity for the year ended June 30, 2007 is as follows:

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
Depreciable Assets:				
Building Improvement	\$ 15,410	\$ 6,290	\$ -	\$ 21,700
Vehicles	94,797	-	-	94,797
Machinery & Equipment	<u>6,953</u>	<u>13,036</u>	<u>-</u>	<u>19,989</u>
Totals at Historical Cost	117,160	19,326	-	136,486
Less Accumulated Depreciation				
For:				
Building Improvement	( 2,698)	( 771)	-	( 3,469)
Vehicles	( 71,391)	( 11,065)	-	( 82,456)
Machinery & Equipment	<u>( 8,954)</u>	<u>( 2,236)</u>	<u>-</u>	<u>( 11,190)</u>
Total Accumulated Depreciation	<u>( 83,043)</u>	<u>( 14,072)</u>	<u>-</u>	<u>( 97,115)</u>
Fixed Assets, Net	<u>\$ 34,117</u>	<u>\$ 5,254</u>	<u>\$ -</u>	<u>\$ 39,371</u>

Depreciation was charged to Administration activities of the Council for \$14,072.

**Note 5 - In-Kind Contributions**

The Council received various in-kind contributions during the year. These in-kind contributions have not been recorded in the financial statements as revenues, nor has the expenditure related to the use of the in-kind been recorded. The primary in-kind contributions consisted of free rent and utilities for the senior center and meal sites, and wages and fringe benefits for volunteer workers.

**Note 6 - Board of Directors' Compensation**

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for out-of-town travel expenses incurred in accordance with the Council's regular personnel policy.

**Note 7 - Income Tax Status**

The Council, a non-profit corporation is exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code.

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

Note 8 - Litigation and Claims

There was no litigation pending against the Council at June 30, 2007, nor is the Council aware of any unasserted claims.

Note 9 - Federal Award Programs

The Council receives revenues from various federal and state grant programs that are subject to final review and approval as to the allowability of expenditures by the respective grantor agencies. These programs are audited in accordance with the *Single Audit Act Amendment of 1996* and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Institutions*. Any settlements or expenses arising out of a final review are recognized in the period agreed upon by the agency and the Council. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

Note 10-Economic Dependency

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

Note 11-Related Party Transactions

There were no related party transactions during the year.

Note 12-Interfund Transfers

Operating transfers in and out are listed by fund for 2007:

<u>Funds</u> <u>Transferred In</u>	<u>Funds Transferred Out</u>					
	<u>Supplemental</u> <u>Senior Center</u>	<u>Senior</u> <u>Center</u>	<u>NSIP</u>	<u>General</u> <u>Fund</u>	<u>PCOA</u>	<u>Total In</u>
Title IIIB - Supportive Services	\$ 3,100	\$ 22,185	\$ -	\$ 24,242	\$ 8,497	\$ 58,024
Title III C-1	-	-	12,830	45,607	37,441	95,878
Title III C-2	-	-	5,416	24,652	30,927	60,995
Title III D	-	-	-	133	-	133
Title III E	-	-	-	79	-	79
Total Out	\$ 3,100	\$ 22,185	\$ 18,246	\$ 94,713	\$ 76,865	\$ 215,109

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

Note 13-Risk Management

The Council is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the Council's insurance coverage.

Note 14-Council on Aging Building

The Council was appropriated \$200,000 in 2001 to purchase and renovate a new facility. The Council's attorney as well as the Town of Winnsboro's Attorney determined that based on an opinion from the State Attorney General that the Council was not allowed to own the building purchased with State funds. The Council purchased the building from the bank, which held the mortgage, and then sold the building to the Town of Winnsboro. The Council then paid the Town of Winnsboro \$140,000 as an up front payment for a 99-year lease. The \$140,000 was all that the Council received from the original appropriation. There will be no payments due on the lease over the course of the term.

Note 15-Property Tax Revenue

During 2001, Franklin Parish passed a 2 mill property tax to help support the Council's activities and services. The revenue for the year ended June 30, 2007 was \$99,809. The Franklin Parish Sheriff's Department issues a check to the Council on a monthly basis based on the taxes collected by Tax Assessor's Office. Approximately 70% of this revenue is received during the month of January.

**REQUIRED SUPPLEMENTAL INFORMATION (PART B)**  
**BUDGETARY COMPARISON SCHEDULES**

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<u>Revenues</u>				
Intergovernmental	\$ 76,870	\$ 76,870	\$ 101,870	\$ 25,000
Property Taxes	96,811	82,451	99,809	17,358
Public Support	-	-	701	701
Rental Income	-	-	2,000	2,000
Miscellaneous	-	-	3,356	3,356
Total Revenues	173,681	159,321	207,736	48,415
<u>Expenditures</u>				
Operating Supplies	-	-	3,003	(3,003)
Other Costs	-	-	2,775	(2,775)
Capital Outlay	-	-	19,326	(19,326)
Total Expenditures	-	-	25,104	(25,104)
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	173,681	159,321	182,632	23,311
<u>Other Financing Uses</u>				
Transfers Out	(173,681)	(159,321)	(171,578)	(12,257)
<u>Net Change in Fund Balance</u>	-	-	11,054	11,054
<u>Fund Balance at Beginning of Year</u>	257,016	257,016	257,016	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 257,016</u>	<u>\$ 257,016</u>	<u>\$ 268,070</u>	<u>\$ 11,054</u>

The accompanying notes are an integral part of this financial statement.

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
TITLE III B - SUPPORTIVE SERVICES  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<u>Revenues</u>				
Intergovernmental	\$ 58,069	\$ 58,069	\$ 58,069	\$ -
Public Support	700	750	806	56
Total Revenues	58,769	58,819	58,875	56
<u>Expenditures</u>				
Salaries	74,772	65,678	71,474	(5,796)
Fringe	8,248	8,009	5,755	2,254
Travel	5,056	7,432	8,672	(1,240)
Operating Services	25,397	22,837	25,879	(3,042)
Operating Supplies	4,734	4,505	5,119	(614)
Other Costs	-	184	-	184
Capital Outlay	-	-	-	-
Total Expenditures	118,207	108,645	116,899	(8,254)
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	(59,438)	(49,826)	(58,024)	(8,198)
<u>Other Financing Sources (Uses)</u>				
Transfers In	59,438	49,826	58,024	8,198
<u>Net Change in Fund Balance</u>	-	-	-	-
<u>Fund Balance at Beginning of Year</u>	-	-	-	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
TITLE CI - CONGREGATE MEALS  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<u>Revenues</u>				
Intergovernmental	\$ 44,913	\$ 42,704	\$ 42,704	\$ -
Public Support	11,800	11,300	11,921	621
Total Revenues	56,713	54,004	54,625	621
<u>Expenditures</u>				
Salaries	59,955	61,385	63,732	(2,347)
Fringe	6,613	7,486	5,119	2,367
Travel	454	1,347	1,278	69
Operating Services	20,799	20,390	21,234	(844)
Operating Supplies	3,238	3,052	3,184	(132)
Other Costs	59,985	48,043	55,956	(7,913)
Capital Outlay	-	-	-	-
Total Expenditures	151,044	141,703	150,503	(8,800)
<u>Excess (Deficiency) of Revenues</u>				
Over Expenditures	(94,331)	(87,699)	(95,878)	(8,179)
<u>Other Financing Sources (Uses)</u>				
Transfers In	94,331	87,699	95,878	8,179
<u>Net Change in Fund Balance</u>	-	-	-	-
<u>Fund Balance at Beginning of Year</u>	-	-	-	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.



FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
TITLE C2 - HOME DELIVERED MEALS  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<u>Revenues</u>				
Intergovernmental	\$ 38,169	\$ 40,378	\$ 40,378	\$ -
Public Support	1,500	1,950	1,793	(157)
Total Revenues	39,669	42,328	42,171	(157)
<u>Expenditures</u>				
Salaries	39,159	48,140	39,970	8,170
Fringe	4,320	5,871	3,207	2,664
Travel	7,697	9,750	9,552	198
Operating Services	8,836	10,182	8,515	1,667
Operating Supplies	2,083	2,494	2,038	456
Other Costs	36,765	39,307	39,884	(577)
Capital Outlay	-	-	-	-
Total Expenditures	98,860	115,744	103,166	12,578
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	(59,191)	(73,416)	(60,995)	12,421
<u>Other Financing Sources (Uses)</u>				
Transfers In	59,191	73,416	60,995	(12,421)
<u>Net Change in Fund Balance</u>	-	-	-	-
<u>Fund Balance at Beginning of Year</u>	-	-	-	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2007

The Council follows these procedures in establishing the budgetary data reflected in these financial statements:

The Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for each program's grant award.

The Executive Director prepares a proposed budget based on the funding levels provided by GOEA and then submits the budget to the Board of Directors for approval.

The Board of Directors reviews and adopts the budget before June 30<sup>th</sup> of the current year for the next year.

The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final approval.

All budgetary appropriations lapse at the end of each fiscal year (June 30).

The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

The Council may transfer funds between line items as often as required, but must obtain prior approval for the Governor's Office of Elderly Affairs for funds received under grants from this state agency.

Expenditures cannot legally exceed appropriations on an individual level.

Amounts were not budgeted for revenues and expenses for the utility assistance fund because they were not legally required and the amount of revenues to be received under this program could not be determined.

SUPPLEMENTAL INFORMATION SCHEDULES REQUIRED BY  
GOEA

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA

GENERAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2007

	<u>Programs of the General Fund</u>		
	<u>Local</u>	<u>PCOA (Act 735)</u>	<u>Total General Fund</u>
<u>ASSETS</u>			
Cash & Cash Equivalents	\$ 143,721	\$ -	\$ 143,721
Certificates of Deposit	135,734	-	135,734
Accounts Receivable	-	25,000	25,000
Due from Other Funds	467	-	467
<u>TOTAL ASSETS</u>	<u>\$ 279,922</u>	<u>\$ 25,000</u>	<u>\$ 304,922</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 10	\$ 25,000	\$ 25,010
Other Accrued Expenses	9,539	-	9,539
Due To Other Funds	2,303	-	2,303
Total Liabilities	11,852	25,000	36,852
 <u>FUND BALANCE</u>			
Unreserved and Undesignated	268,070	-	268,070
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 279,922</u>	<u>\$ 25,000</u>	<u>\$ 304,922</u>

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA

GENERAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Programs of the General Fund</u>		<u>Total</u>
	<u>Local</u>	<u>PCOA</u> <u>(Act 735)</u>	<u>General Fund</u>
<u>Revenues</u>			
Intergovernmental	\$ -	\$ 101,870	\$ 101,870
Property Taxes	99,809	-	99,809
Public Support	701	-	701
Rental Income	2,000	-	2,000
Interest Income	3,356	-	3,356
Total Revenues	105,866	101,870	207,736
<u>Expenditures</u>			
Operating Supplies	99	2,904	3,003
Other Costs	-	2,775	2,775
Capital Outlay	-	19,326	19,326
Total Expenditures	99	25,005	25,104
<u>Excess of Revenues Over</u> <u>Expenditures</u>	105,767	76,865	182,632
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	(94,713)	(76,865)	(171,578)
<u>Excess of Revenues and Other</u> <u>Financing Sources Over</u> <u>Expenditures and Other</u> <u>Financing Uses</u>	11,054	-	11,054
<u>Fund Balance at Beginning of Year</u>	257,016	-	257,016
<u>FUND BALANCE AT</u> <u>END OF YEAR</u>	<u>\$ 268,070</u>	<u>\$ -</u>	<u>\$ 268,070</u>

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2007

	<u>Senior Center</u>	<u>Title III D Disease Prevention</u>	<u>Title III E Caregiver</u>	<u>Audit Funds</u>
<u>ASSETS</u>				
Cash & Cash Equivalents	\$ 444	\$ 4,685	\$ 10	\$ -
Receivables	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 444</u>	<u>\$ 4,685</u>	<u>\$ 10</u>	<u>\$ -</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 105	\$ 1,909	\$ 10	\$ -
Due To Other Funds	339	2,776	-	-
Total Liabilities	<u>444</u>	<u>4,685</u>	<u>10</u>	<u>-</u>
Fund Balances:				
Unreserved	-	-	-	-
Reserved for:				
Utilities Assistance	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 444</u>	<u>\$ 4,685</u>	<u>\$ 10</u>	<u>\$ -</u>

<u>Supplemental Senior Center</u>	<u>Utilities Assistance</u>	<u>NSIP</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 4,500	\$ 77	\$ 1,072	\$ 10,788
-	-	3,547	3,547
<u>\$ 4,500</u>	<u>\$ 77</u>	<u>\$ 4,619</u>	<u>\$ 14,335</u>

\$ -	\$ -	\$ -	\$ 2,024
<u>4,500</u>	<u>-</u>	<u>-</u>	<u>7,615</u>
4,500	-	-	9,639

-	-	4,619	4,619
-	<u>77</u>	-	<u>77</u>
-	<u>77</u>	-	<u>4,696</u>

<u>\$ 4,500</u>	<u>\$ 77</u>	<u>\$ 4,619</u>	<u>\$ 14,335</u>
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FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2007

	Senior Center	Title III D Disease Prevention	Title III E Caregiver	Audit Funds
<b><u>REVENUES</u></b>				
Intergovernmental:				
North Delta Regional Planning and Development District	\$ -	\$ 3,052	\$ 4,073	\$ 810
State Contract	29,205			
Public Support:				
LA Association of Councils on Aging	-	-	-	-
Client Contributions	-	-	-	-
Total Public Support	-	-	-	-
 Total Revenues	 29,205	 3,052	 4,073	 810
<b><u>EXPENDITURES</u></b>				
Current:				
Salaries	1,846	1,911	3,373	-
Fringe	148	147	267	-
Travel	55	25	34	-
Operating Services	4,866	318	413	810
Operating Supplies	105	49	65	-
Other Costs	-	735	-	-
Total Current Expenditures	7,020	3,185	4,152	810
 Capital Outlay	-	-	-	-
Utility Assistance	-	-	-	-
Total Expenditures	7,020	3,185	4,152	810
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u></b>	22,185	(133)	(79)	-
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating Transfers - In	-	133	79	-
Operating Transfers - Out	(22,185)	-	-	-
Total Other Financing Sources (Uses)	(22,185)	133	79	-
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</u></b>	-	-	-	-
<b><u>FUND BALANCES AT BEGINNING OF YEAR</u></b>	-	-	-	-
<b><u>FUND BALANCES AT END OF YEAR</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



<u>Supplemental Senior Center</u>	<u>Utilities Assistance</u>	<u>NSIP</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 22,040	\$ 29,975
3,100			32,305
-	6,206	-	6,206
-	-	-	-
<u>-</u>	<u>6,206</u>	<u>-</u>	<u>6,206</u>
3,100	6,206	22,040	68,486
-	-	-	7,130
-	-	-	562
-	-	-	114
-	-	-	6,407
-	-	-	219
-	-	-	735
<u>-</u>	<u>-</u>	<u>-</u>	<u>15,167</u>
-	-	-	-
-	6,692	-	6,692
<u>-</u>	<u>6,692</u>	<u>-</u>	<u>21,859</u>
3,100	(486)	22,040	46,627
-	-	-	212
(3,100)	-	(18,246)	(43,531)
<u>(3,100)</u>	<u>-</u>	<u>(18,246)</u>	<u>(43,319)</u>
-	(486)	3,794	3,308
-	563	825	1,388
<u>\$ -</u>	<u>\$ 77</u>	<u>\$ 4,619</u>	<u>\$ 4,696</u>

GENERAL FIXED ASSET ACCOUNT GROUP

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA

SCHEDULE OF GENERAL FIXED ASSETS

JUNE 30, 2007 AND 2006

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
<u>GENERAL FIXED ASSETS</u>				
Building Improvements	\$ 15,410	\$ 6,290	\$ -	\$ 21,700
Vehicles	94,797	-	-	94,797
Office Furniture and Equipment	6,953	13,036	-	19,989
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 117,160</u>	<u>\$ 19,326</u>	<u>\$ -</u>	<u>\$ 136,486</u>
<u>INVESTMENT IN GENERAL FIXED ASSET</u>				
Property Acquired Prior to July 1, 1985 *	\$ -	\$ -	\$ -	\$ -
Property Acquired After July 1, 1985				
With Funds From:				
Act 735 PCOA	1,598	19,326	-	20,924
General Fund	40,363	-	-	40,363
Title III- D Preventive Health	1,160	-	-	1,160
Title III- C-1	742	-	-	742
Title III- C-2	420	-	-	420
Title III- B Supportive Services	14,605	-	-	14,605
Title III- E Caregiver	14	-	-	14
Senior Center	14	-	-	14
Department of Transportation Sec. 5310 E&D	58,244	-	-	58,244
<u>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</u>	<u>\$ 117,160</u>	<u>\$ 19,326</u>	<u>\$ -</u>	<u>\$ 136,486</u>

\* Records reflecting sources from which assets were acquired were not maintained prior to July 1, 1985.

OTHER SUPPLEMENTAL INFORMATION --  
GRANT ACTIVITY

FRANKLIN COUNCIL ON AGING INC.  
WINNSBORO, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2007

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
U.S. Department of Health & Human Services - Administration on Aging: Passed Through Governor's Office of Elderly Affairs:				
Aging Cluster of Special Programs for the Aging:				
Title III, Part B - Supportive Services	93.044	\$ 38,951	\$ 38,951	\$ 38,951
Title III, Part C - Congregate Meals	93.045	39,704	39,704	39,704
Title III, Part C - Home Delivered Meals	93.045	27,126	27,126	27,126
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	3,052	3,052	3,052
Title III, Part E - National Family Caregiver Support	93.052	3,055	3,055	3,055
Nutritional Services Incentive Program	93.053	22,040	22,040	18,246
Total of Aging Cluster		<u>133,928</u>	<u>133,928</u>	<u>130,134</u>
 <u>TOTAL FEDERAL AWARDS</u>		 <u>\$ 133,928</u>	 <u>\$ 133,928</u>	 <u>\$ 130,134</u>

FRANKLIN COUNCIL ON AGING, INC.  
WINNSBORO, LOUISIANA  
NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Council. The Council did not pass through any of its federal awards to a subrecipient during the year.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting as contemplated under accounting principles generally accepted in the United States of America and which is the same basis of accounting used for presenting the general purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



# CAMERON, HINES & HARTT

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## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Franklin Council on Aging, Inc.  
Winnsboro, Louisiana

We have audited the financial statements of Franklin Council on Aging, Inc. as of and for the year ended June 30, 2007, and have issued our report thereon dated November 9, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Franklin Council on Aging, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Our consideration of internal control included procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented, but it did not include procedures to test the operating effectiveness of controls, and accordingly, was not directed to discovering significant deficiencies in internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting and is described as item 07-1.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.



To the Board of Directors  
Franklin Council on Aging, Inc.  
Page 2

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Franklin Council on Aging, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 07-1.

This report is intended solely for the information of management, the Governor's Office of Elderly Affairs and the Legislative Auditor and is not intended to be or should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is to be distributed by the Legislative Auditor as a public document.

*Cameron, Hines & Hunt (APAC)*

West Monroe, Louisiana  
November 9, 2007

FRANKLIN COUNCIL ON AGING, INC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007

To the Board of Directors  
Franklin Council on Aging, Inc.  
Winnsboro, Louisiana

We have audited the financial statements of the Franklin Council on Aging, Inc. as of and for the year ended June 30, 2007, and have issued our report thereon dated November 9, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2007, resulted in an unqualified opinion.

Section I- Summary of Auditors' Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ☐ yes ☒ no

Significant Deficiencies not considered to be  
Material Weaknesses ☒ yes ☐ no

Compliance

Compliance Material to Financial Statements ☒ yes ☐ no

B. Federal Awards

Material Weakness Identified ☐ yes ☒ no

Significant Deficiencies not considered to be  
Material Weaknesses ☐ yes ☒ no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified ☐ Qualified ☐

Disclaimer ☐ Adverse ☐

Are their findings required to be reported in accordance with Circular A-133,  
Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)  
CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? N/A

FRANKLIN COUNCIL ON AGING, INC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007

Section II- Financial Statement Findings

Condition:

During the audit, it was noted that the Council paid a one time cost of living raise that was not budgeted at the beginning of the fiscal year, a total of \$866 to all employees of the Council on Aging.

Criteria:

Since the cost of living increase was not budgeted at the beginning of the year, it could be considered a bonus. According to Louisiana law regarding the code of ethics, no public servant shall receive anything of economic value, other than compensation and benefits from the governmental entity to which he is duly entitled, for the performance of the duties and responsibilities of his office or position.

Effect:

Since the raise was not budgeted prior to paying the employees, paying the one time cost of living raise could violate the code of ethics for public employees and laws affecting budgeting under Louisiana law.

Recommendation:

It is recommended that the Council not make such payments in the future. In addition, the Council should consider contacting the Governor's Office of Elderly Affairs to determine what course of action, if any, be taken according to their guidelines.

Response:

The Council will take steps to follow the auditors' recommendations.

Section III- Federal Award Findings and Question Costs- N/A

FRANKLIN COUNCIL ON AGING, INC.  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2007

Section I- Internal Control and Compliance Material to the Financial Statements

This section is not applicable for this entity.

Section II- Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III- Management Letter

No management letter was issued.